

110TH CONGRESS
2D SESSION

H. R. 6987

To amend the Sarbanes-Oxley Act of 2002 to require officers to repay bonus amounts received during a year in which their company is subject to a taxpayer bailout, as well as the two previous years.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 22, 2008

Mr. FEENEY (for himself, Mr. ROSKAM, and Mr. GARRETT of New Jersey) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Sarbanes-Oxley Act of 2002 to require officers to repay bonus amounts received during a year in which their company is subject to a taxpayer bailout, as well as the two previous years.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Taxpayer Bailout Pro-
5 tection Act of 2008”.

1 **SEC. 2. REPAYMENT OF BONUS IN CASE OF TAXPAYER**
2 **BAILOUT.**

3 (a) IN GENERAL.—Section 304 of the Sarbanes-
4 Oxley Act of 2002 (15 U.S.C. 7243) is amended by adding
5 at the end the following new subsection:

6 “(c) REPAYMENT OF BONUS IN CASE OF TAXPAYER
7 BAILOUT.—

8 “(1) IN GENERAL.—An officer of an issuer
9 shall pay to the Department of the Treasury any
10 amounts received by such officer during a year as a
11 bonus or other incentive-based or equity-based com-
12 pensation from the issuer during—

13 “(A) a year in which the issuer is subject
14 to a taxpayer bailout; and

15 “(B) the two years prior to a year in which
16 the issuer is subject to a taxpayer bailout.

17 “(2) TAXPAYER BAILOUT DEFINED.—For pur-
18 poses of this subsection, and with respect to an
19 issuer, the term ‘taxpayer bailout’ means—

20 “(A) the placement of the issuer under
21 conservatorship, receivership, or other assump-
22 tion of the management, governance, and con-
23 trol of the issuer by the Department of the
24 Treasury or the Board of Governors of the Fed-
25 eral Reserve; or

1 “(B) an emergency loan of public funds
2 made to the issuer by the Department of the
3 Treasury or the Board of Governors of the Fed-
4 eral Reserve, if the Chairman of the Board of
5 Governors of the Federal Reserve determines
6 that such a loan is necessary to prevent the im-
7 minent failure of the issuer.”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall take effect with respect to bonuses and
10 other incentive-based or equity-based compensation re-
11 ceived by an officer after the date of the enactment of
12 this Act.

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